GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2605
ANSWERED ON:20.03.2002
CVD ON CELLULAR HANDSETS
VSM (RETD.) COL. CHOUDHARY

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that Telecom services especially the cellular sector grew almost 100 percent during the year 2000-2001 and is expected to touch over 3 million subscribers by the end of the year ;

(b) whether it is also a fact that the legal market for mobile handsets has not kept pace with growing demand resulting large scale smuggling of cellular handsets into the country ; and

(c) if so , the reaction of the Government thereto ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY(SHRI JYOTIRMOY SIKDAR)

(a) As per the information furnished by Cellular Operators Association of India (COAI) on behalf of Cellular Operators, the total number of cellular mobile telephone subscribers in India as on 31st January, 2002 were 57,37,907 i.e. 5.74 million apporx.

The growth rate of cellular mobile telephone subscribers during the year 2000-2001 is as follows:

Sl.No.	Month and Year	Number of cellular mobile telephone subscribers in India	Growth Rate in %
1.	31st March, 2000	18,84,311	-
2.	31st March, 2001	35,77,095	89.84% (approx.)

(b) & (c) : No Sir, mobile handsets available in the legal market has kept pace with the demand. The Customs Department including the Directorate of Revenue Intelligence are alert in this regard. However, details of seizures of cellular handsets effected by field formations under the customs department including Directorate of Revenue Intelligence during the years 2000-2001 and 2001-2002 (upto October, 2001) are as follows:

Year	No. of Cellular Handsets seized	Value of Cellular Handsets seized (Rs. In lakhs)
2000-2001	23547	1341.06
2001-2002 (upto October, 2001)	14472	713.56

In this year`s Budget proposals, CVD (Countervailing duty) on cellular phones has been removed and the import duty structure on Cellular Phones has been fixed at 10% (Basic Customs Duty) + Nil (Countervailing duty or CVD) + 4% (Special Additional Duty or SAD). With these changes, the total import duty incidence on cellular telephones is proposed to come down from 26.67% ad-valorem to 14.4% ad-valorem.